will announce the publication date of the final environmental impact statement. This revises the August 1, 1995 date previously announced.

The responsible officials will consider the comments, responses, environmental consequences discussed in the final environmental impact statement, and applicable laws, regulations, and policies in making a decision regarding this document. The responsible officials will document their decisions and reasons for their decisions in a Record of Decision.

The responsible official for the Forest Service is changed from Joy E. Berg to William E. Damon, Jr., Forest Supervisor, George Washington and Jefferson National Forests, 5162 Valleypointe Parkway, Roanoke, Virginia, 24019. The responsible official for the National Park Service is Don King, Acting Project Manager, Appalachian National Scenic Trail, National Park Service, Harpers Ferry Center, Harpers Ferry, West Virginia 25425. The responsible official for the US Army Corps of Engineers in West Virginia is changed from Colonel Earle C. Richardson to Colonel Richard Jemiola, US Army Corps of Engineers, Huntington District, 508 8th Street, Huntington, West Virginia 25701–2070. The responsible official for the US Army Corps of Engineers in Virginia is Colonel Andrew M. Perkins, Jr., US Army Corps of Engineers, Norfolk District, 803 Front Street, Norfolk, Virginia 23510.

Dated: June 2, 1995.

William E. Damon, Jr.,

Forest Supervisor, George Washington and Jefferson National Forests.

[FR Doc. 95–14093 Filed 6–8–95; 8:45 am]

BILLING CODE 3410–11–M

Natural Resources Conservation Service

Harquahala Valley Watershed, Maricopa and La Paz Counties, Arizona

AGENCY: Natural Resources Conservation Service.

ACTION: Notice of availability of record of decision.

SUMMARY: Humberto Hernandez, responsible Federal official for projects administered under the provisions of Public Law 83–566, 16 U.S.C. 1001–1008, in the State of Arizona, is hereby providing notification that a record of decision to delete the measure, Centennial Levee, Reach 2, from the Harquahala Watershed Plan is available.

No significant comments were received during the 45-day comment period as provided by the interagency review.

Because this was the last remaining measure to be built, Supplement No. 2, in effect will terminate all future planned construction in the Harquahala Watershed Project. Single copies of this record of decision may be obtained from Humberto Hernandez at the address shown below.

FOR FURTHER INFORMATION CONTACT: Humberto Hernandez, State Conservationist, Natural Resources Conservation Service, 3003 North Central Avenue, Suite 800, Phoenix, Arizona 85012. Telephone: (602) 280–8808.

(This activity is listed in the Catalog of Federal Domestic Assistance under No. 10.904, Watershed Protection and Flood Prevention, and is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials.)

Dated: June 1, 1995.

Humberto Hernandez,

State Conservationist.

[FR Doc. 95–14108 Filed 6–8–95; 8:45 am]

BILLING CODE 3410–16–M

DEPARTMENT OF COMMERCE

Bureau of Export Administration

[Docket No. 950510133–5133–01]

Summary of Secretarial Report Under Section 232 of the Trade Expansion Act of 1962, as Amended

AGENCY: Bureau of Export Administration, Commerce.

ACTION: Notice.

SUMMARY: On February 16, 1995, President William J. Clinton concurred in the Secretary of Commerce's finding that oil imports threaten to impair the national security. The President determined that no action is necessary to adjust imports of petroleum under Section 232 of the Trade Expansion Act of 1962, as amended, because on balance the costs to the economy of an import adjustment outweigh the benefits. Included herein is the Executive Summary of the Department of Commerce's Section 232 report to the President dated December 29, 1994.

ADDRESSES: A copy of the report is available for public review and duplication in the Bureau of Export Administration's Freedom of Information Facility, Room 4525, U.S. Department of Commerce, Washington, DC 20230, (202) 482–5653.

FOR FURTHER INFORMATION CONTACT: John A. Richards, Deputy Assistant Secretary for Strategic Industries and Economic Security, Bureau of Export Administration, U.S. Department of Commerce, Washington, DC 20230 (202) 482–4506.

SUPPLEMENTARY INFORMATION: On March 11, 1994, the Independent Petroleum Association of America (IPAA) and various other industry associations, companies, and individuals filed a petition under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. Section 1862 (1988)) requesting the Department to initiate an investigation of the impact on the national security of imports of crude oil and refined petroleum products.

On April 5, 1994, the Department initiated the investigation and invited public comment. The Department held three public hearings in New York, New York; Dallas, Texas; and Santa Clara, California. During the comment period, 69 people presented comments reflecting both support for and opposition to the allegations made by the petitioner. The Department also chaired an interagency working group that included the Departments of Energy, Interior, Defense, Labor, State, and Treasury, the Office of Management and Budget, the Council of Economic Advisors, and the U.S. Trade Representative to assist in the investigation.

On December 29, 1994, Secretary Ronald H. Brown submitted his investigation report to President Clinton. The Department found that since the previous Section 232 petroleum finding in 1988, there have been some improvements in U.S. energy security. The breakup of the Soviet Union and the apparent disarray within OPEC have enhanced U.S. energy security. However, the reduction in exploration, dwindling reserves, falling production, and the relatively high cost of U.S. production all point toward increasing imports from OPEC sources. Growing import dependence increases U.S. vulnerability to a supply disruption because non-OPEC sources lack surge production capacity, and there are at present no substitutes for oil-based transportation fuels. Given the above factors, the Secretary found that petroleum imports threaten to impair the national security.

The Secretary recommended, however, that the President not use his authority under Section 232 of the Trade Expansion Act to adjust oil imports through the imposition of tariffs because the economic costs of such a move outweigh the benefits, and because current Clinton Administration energy policies will limit the growth of imports. On February 16, 1995, President Clinton approved Secretary Brown's finding and determined that no action to adjust oil imports under Section 232 need be taken.

The Executive Summary of the December 29, 1994, U.S. Department of Commerce Section 232 Study is reproduced below.

Dated: June 5, 1995.

Sue E. Eckert,

Assistant Secretary for Export Administration.

Executive Summary

Introduction

On March 11, 1994, the Independent Petroleum Association of America (IPAA) and various other industry associations, companies, and individuals filed a petition under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. Section 1862 (1988)) requesting the Department to initiate an investigation of the impact on the national security of imports of crude oil and refined petroleum products.

The IPAA petition alleged that U.S. energy security worsened since the Department's last Section 232 oil import investigation in 1988 because oil imports grew both in absolute terms and as a percentage of U.S. oil consumption, leaving the United States further subject to an oil supply disruption with the resultant economic costs. The petition also alleged that imports of low-priced oil are weakening the domestic petroleum industry to such an extent that it will not be able to support U.S. security needs in the event of a major conventional war.

On April 5, 1994, the Department initiated the investigation and invited public comment. The Department held three public hearings in New York, New York; Dallas, Texas; and Santa Clara, California. During the comment period, 69 people presented comments reflecting both support for and opposition to the allegations made by the petitioner.

Under Section 232, the Department had 270 days, until December 31, 1994, from the date of initiation of an investigation to submit a report of findings and recommendations to the President.

Methodology

The Department chaired an interagency working group that included the Departments of Energy, Interior, Defense, Labor, State, and Treasury, the Office of Management and Budget, the Council of Economic Advisors, and the U.S. Trade Representative to assist in the investigation.

The Department used a two-step process to evaluate the petition. In the first step, the Department reviewed key factors from the 1988 investigation to determine whether they improved or deteriorated. These factors included: (1) domestic oil reserves; (2) domestic oil production; (3) industry employment; (4) the impact of low oil prices on the economy; (5) the status of the domestic oil industry; (6) oil import dependence; (7) import vulnerability, including measures to offset an oil supply disruption; (8) foreign policy flexibility; and (9) U.S. military requirements. The second step involved review of new factors that emerged since the last investigation, including: (1) the status of OPEC; (2) oil price transparency due to the emergence of a futures market; and (3) the demise of the Soviet Union.

The Department made use of the extensive data and analyses that were already available regarding the current and prospective status of the domestic petroleum industry and the world oil market. In view of this extensive body of available data, the Department determined that an industry survey was not necessary. The Department also drew upon the written comments and testimony from interested parties who participated in the public hearings.

This report is based on a number of agreed-upon economic assumptions including, *inter alia*, crude oil price levels, U.S. crude oil production, economic growth rates, and inflation.

Review of Key Factors From the 1988 Investigation

1. Domestic Oil Reserves

Petition: Low-priced oil imports (hereinafter referred to as low oil prices) were largely responsible for the decline in domestic oil reserves.

DOC Analysis and Conclusion: Since the 1988 investigation, U.S. proved crude oil reserves declined by 3.8 billion barrels. Low oil prices contributed to, but are not totally responsible for, the erosion of the U.S. oil reserves base. The underlying physical reality is that the U.S. already developed the bulk of its known and easily accessible low cost deposits and decided against developing other geological prospects such as the Arctic National Wildlife Refuge and the Outer Continental Shelf. Since the reserves base reflects the structural geological reality, given present technology, oil price increases at best can arrest, but not reverse this trend.

2. Domestic Oil Production

Petition: Low oil prices are responsible for the decline in U.S. production.

DOC Analysis and Conclusion: The production outlook remains essentially the same as in the 1988 investigation. The United States is a high-cost producer compared to other countries because we have already depleted our known low-cost reserves. Since 1986, low oil prices have exacerbated the cost-price squeeze facing U.S. producers. U.S. production declined by 1.7 million barrels per day (MB/D) and net imports increased. The dislocation undercut U.S. exploration activities and impaired the development of competing energy sources, thereby enabling OPEC to recapture part of the market it lost after the price shocks of the late 1970s.

3. Exploration and Industry Employment

Petition: Low oil prices are responsible for the massive falloff in drilling and in industry employment.

DOC Analysis and Conclusion: The Department found a sharp reduction in U.S. drilling and oil and gas industry employment between 1985 and 1993. The level of exploratory drilling, well completions, and rotary rigs in use for oil and gas exploration declined since 1988. Employment fell from 582,000 in 1985 to 351,000 in 1993. A large share of the lost jobs occurred in petroleum exploration and development sectors.

However, oil imports are *not* the only reason for the decline in exploratory drilling and well completions. U.S. companies are drilling less because they made substantial gains in total productivity by employing new exploration and drilling technology and focussing on the most productive geological opportunities.

4. The Impact on the Economy of Low Oil Prices

Petition: The petitioner did not specifically address the benefits to the economy of low oil prices.

DOC Analysis and Conclusion: The Department found that the economic consequences of low prices resulted in positive benefits to the U.S. economy. Because the United States is now a net importer of oil, lower prices on balance helped the economy. The public benefitted from lower prices for transportation fuels and heating oil. For the economy as a whole, low oil prices contributed to a reduction in inflation, a rise in real disposable income, and an increase in the Gross Domestic Product.

5. Current Status of the Domestic Oil Industry

Petition: Low oil prices and the uncertainty concerning future price drops were forcing small producers to abandon many fields prematurely. The possible loss of these reserves and production would result in increased dependence on foreign oil.

DOC Analysis and Conclusion: The Department found that, as world crude oil prices declined since 1986, the relatively smaller U.S. oil fields with higher cost production became uneconomical and the operators shut-in or abandoned some wells. The impact of low prices has been especially severe on small producers operating stripper wells with average production of 15 barrels per day or less. If small producers continue to shut-in production because of low oil prices, this could result in reduced cash flow to reinvest in exploration and increased dependence on lower-cost foreign oil.

6. Oil Import Dependence

Petition: U.S. national security worsened because oil imports have increased since 1988 both in absolute terms and as a percentage of U.S. oil consumption and our dependence on imported oil will continue.

DOC Analysis and Conclusion: The Department found that net U.S. imports have grown from 5.9 MB/D in 1987 to 7.5 MB/D in 1993. Imports currently account for 44 percent of domestic consumption compared to 37 percent in 1987. Imports from Persian Gulf countries increased from 1.07 MB/D in 1987 to 1.64 MB/D in 1993.

U.S. demand for imported oil is expected to continue growing because of declining production and increased economic growth. The Energy Information Administration of the U.S. Department of Energy (EIA/DOE) projects that net imports will increase to 11 MB/D by 2000 and account for approximately 51.5 percent of domestic consumption.

To the extent the United States and other countries import more oil in the future, EIA/DOE projects that they will turn increasingly to OPEC countries located in the Persian Gulf which has the largest amount of known low-cost reserves and surplus production capacity. The Persian Gulf producers will account for approximately 55 percent of world crude oil exports by 2000.

7. Vulnerability to a Supply Disruption

Petition: Increased reliance on low-priced oil imports will leave the United States subject to a supply disruption and resulting costs to the economy.

DOC Analysis and Conclusion: The Department found that political and economic problems in the Persian Gulf region make supply disruptions a possibility in the near-term. Disruptions are possible in other regions, but the risks to the U.S. and other importing countries are lower because oil production facilities elsewhere are not as concentrated as they are in the Persian Gulf.

The United States and the OECD countries have limited prospects to offset a major oil supply disruption because: (1) there is little surplus production outside the Persian Gulf; (2) U.S. and OECD government oil stocks today provide less protection from an interruption than was the case in 1988; and, (3) there is currently no substitute for liquid transportation fuels which account for approximately two-thirds of all oil consumption in the United States. During a major oil supply disruption, there could be substantial economic austerity as a result of the decreased availability of oil. This, in turn, could pose hardships for the U.S. economy.

8. Foreign Policy Flexibility

Petition: The petitioner did not raise this issue.

DOC Analysis and Conclusion: The Department found that our allies' and trading partners' dependence on potentially insecure sources of oil may affect their willingness to cooperate with the United States during a major oil supply disruption.

9. U.S. Military Requirements

Petition: Low oil prices are weakening the domestic petroleum industry to such an extent that it will not be able to support U.S. security needs in the event of a global conventional war.

DOC Analysis and Conclusion: The Department of Defense advised that the military requirements for petroleum fuels could be satisfied under current planning scenarios.

10. Other Factors

The Department evaluated several factors that served to improve the security of U.S. oil supplies since the 1988 investigation. Foremost among these factors are the following:

Status of OPEC: Low oil prices are in large part a symptom of the apparent disarray within OPEC. The ability of OPEC to manipulate prices has been impaired because its members have been unable to coordinate production levels among themselves.

Transparency of Oil Markets: The growth of the futures market into a full-fledged commodity market has made crude oil prices more transparent and less subject to manipulation. Computerized trading, options, and forward contracts have connected refined products and crude oil markets more closely than was the case in 1988.

Demise of the Soviet Union: The end of the Cold War and the breakup of the Soviet Union removed the risk of Middle East oil becoming a pawn in East-West competition. The demise of the Soviet Union also has reduced the probability of a conventional war that could jeopardize Western Europe's and Japan's access to Middle East oil.

Finding

Since the previous Section 232 petroleum finding in 1988, there have been some improvements in U.S. energy security. The breakup of the Soviet Union and the apparent disarray within OPEC have enhanced U.S. energy security. Lower oil prices on balance benefitted the U.S. economy. However, the reduction in exploration, dwindling reserves, falling production, and the relatively high cost of U.S. production all point toward a contraction of the U.S. petroleum industry and increasing imports from OPEC sources. Growing import dependence, in turn, *increases* U.S. vulnerability to a supply disruption because non-OPEC sources lack surge production capacity; and there are at present no substitutes for oil-based transportation fuels. Given the above factors, the Department finds that petroleum imports threaten to impair the national security.

Recommendation

The Department does *not* recommend that the President use his authority under Section 232 to adjust imports. The Clinton Administration's other efforts to improve U.S. energy security are more appropriate than an import adjustment.

Section 232 requires the Secretary of Commerce and the President to recognize the close relationship between the economic welfare of the nation and U.S. national security. As energy security effects the economic welfare of the U.S., energy security must be considered in determining the effects on the national security of petroleum imports.

The Department concurs with the conclusions of the 1988 study that, on balance, the costs to the national security of an oil import adjustment outweigh the potential benefits. For example, an oil import adjustment such as a tariff would likely have an inflationary effect on the economy and would result in the loss of significant jobs in the non-petroleum sectors. This, in turn, would reduce real Gross

National Product (GNP). An import adjustment would diminish the competitiveness of energy-intensive export companies and strain relations with close trading partners who may seek an exemption from the adjustment.

The Clinton Administration recognizes the importance of U.S. energy security and is pursuing a series of policies to enhance that security. It is important to note that no cost-effective government action could eliminate U.S. dependence on foreign oil entirely, but the following supply enhancement and energy conservation and efficiency policies help limit that dependence. Thus, the Department recommends continuing the policies described below:

- *Increased Investment in Energy Efficiency*—The Administration increased the budgets substantially over the last two years to achieve an enhanced energy efficiency level. There are extensive programs underway ranging from developing new appliance standards to working on innovative workplace solutions to decrease long-distance commuting. The goals of these extensive energy efficiency programs are to decrease consumption of oil.
- *Increased Investment in Alternative Fuels*—The Administration placed particular emphasis on improving the efficiency of the transportation sector where oil comprises about 98 percent of the fuel utilization. The Administration is among other things initiating a partnership with automobile manufacturers to design more energy efficient automobiles and developing a program to bring alternative transportation fuels and vehicles into the marketplace. These actions will reduce direct consumption of petroleum-based transportation fuels so that the need for imports will decrease.
- *Increased Government Investment in Technology*—The Administration more than doubled its investment with American industry in advanced technologies for the exploration and production of natural gas and oil. This is important because technological innovation can significantly decrease the domestic finding costs for natural gas and oil, thereby maintaining and expanding the domestic resource base and improving its economics.
- *Expanded Utilization of Natural Gas*—The Administration aggressively promoted expanded markets for natural gas at the expense of imported oil. In addition, reliance upon natural gas as one of the cornerstones of our Climate Change Action Plan provides benefits to our environment through the reduction of greenhouse gas emissions.
- *Increased Government Investment in Renewables*—The Administration increased investment in renewable resources because they offer great hope of replacing imported oil in selected end uses.
- *Increased Government Regulatory Efficiency*—The Administration is reducing the red tape and regulations that burden domestic industries. Various government agencies are conducting sweeping reviews to make their regulatory structures more responsive to domestic concerns.
- *Increased Emphasis on Free Trade and U.S. Exports*—Free trade, privatization, and promotion of American exports helps develop the world's energy resources and prevent over-reliance on any single region of the world. These actions include: assisting energy conservation efforts and the development of new energy supplies in this hemisphere and other areas friendly to the United States.
- *Maintaining the Strategic Petroleum Reserve*—The Strategic Petroleum Reserve is the nation's stockpile of crude oil available in the event of an oil supply disruption. The 580 million barrels of crude oil under government ownership and control provides a bulwark against a supply disruption.
- *Coordinating Emergency Cooperation Measures*—The United States is coordinating oil emergency cooperation among the energy consuming countries through the International Energy Agency. Discussions are continuing to strengthen the existing market-oriented coordinated energy response measures for dealing with possible future disruptions.

[FR Doc. 95–14214 Filed 6–8–95; 8:45 am]

BILLING CODE 3510–DT–P

Foreign-Trade Zones Board

[Order No. 749]

Grant of Authority for Subzone Status; Wal-Mart Stores, Inc. (Distribution/Processing Facility), Bullock County, Georgia

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a–81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

Whereas, by an Act of Congress approved June 18, 1934, an Act ''To provide for the establishment . . . of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes,'' as amended (19 U.S.C. 81a–81u) (the Act), the Foreign-Trade Zones Board (the Board) is authorized to grant to qualified corporations the privilege of establishing foreign-trade zones in or adjacent to U.S. Customs ports of entry;

Whereas, the Board's regulations (15 CFR part 400) provide for the establishment of special-purpose subzones when existing zone facilities cannot serve the specific use involved;

Whereas, an application from the Savannah Airport Commission, grantee of Foreign-Trade Zone 104 (Savannah, Georgia), for authority to establish special-purpose subzone status at the distribution/processing facility of Wal-Mart Stores, Inc., located in Bulloch County, Georgia, was filed by the Board on July 15, 1994, and notice inviting public comment was given in the **Federal Register** (FTZ Docket 27–94, 59 FR 39234, 8/2/94); and,

Whereas, the application includes a request for authority to assemble/process stereo systems and camera kits under zone procedures; and,

Whereas, the Board has found that the requirements of the FTZ Act and Board's regulations are satisfied, and that approval of the application is in the public interest;

Now, Therefore, the Board hereby authorizes the establishment of a subzone (Subzone 104B) at the Wal-Mart Stores, Inc., facilities in Bulloch County, Georgia, at the location described in the application, subject to the FTZ Act and the Board's regulations, including § 400.28. Approval includes authority to assemble/process stereo systems (using domestic speakers) and camera kits. As indicated in the application, no foreign textile products will be used in any processing or manufacturing under zone procedures.

Signed at Washington, DC, this 5th day of June 1995.

Susan G. Esserman,

Assistant Secretary of Commerce for Import Administration, Alternate Chairman, Foreign-Trade Zones Board.

Attest:

John J. Da Ponte, Jr.,

Executive Secretary.

[FR Doc. 95–14209 Filed 6–8–95; 8:45 am]

BILLING CODE 3510–DS–P

[Order No. 745; FTZ Docket 7–94]

Approval for Manufacturing Authority (Industrial Robots), Within Foreign-Trade Subzone 59A; Kawasaki Motors Manufacturing Corporation, U.S.A., Lincoln, Nebraska

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a-81u),